

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 774 - HB 1110

March 24, 2009

SUMMARY OF BILL: Requires health insurance companies and pharmacy benefits managers (PBM) to calculate a patient's percentage based out-of-pocket cost so that when added to the direct payment to the pharmacy, the sum is equal to the actual reimbursement. Requires information provided to the patient regarding the patient's out-of-pocket cost to include the actual reimbursement for the covered service. Prohibits insurers and PBMs from restricting a pharmacy or other dispenser from disclosing to the patient the actual reimbursement for the covered service.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Assumptions:

- The Department of Commerce and Insurance is responsible for the implementation and regulation of the provisions of this bill. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- According to the Bureau of TennCare there will not be a fiscal impact to the program because the amount paid to pharmacies is transparent.
- According to the Department of Finance and Administration, there will not be a fiscal impact to the State Employee, Local Government, and Local Education Health Plans because the information should currently be available.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kml

SB 774 - HB 1110